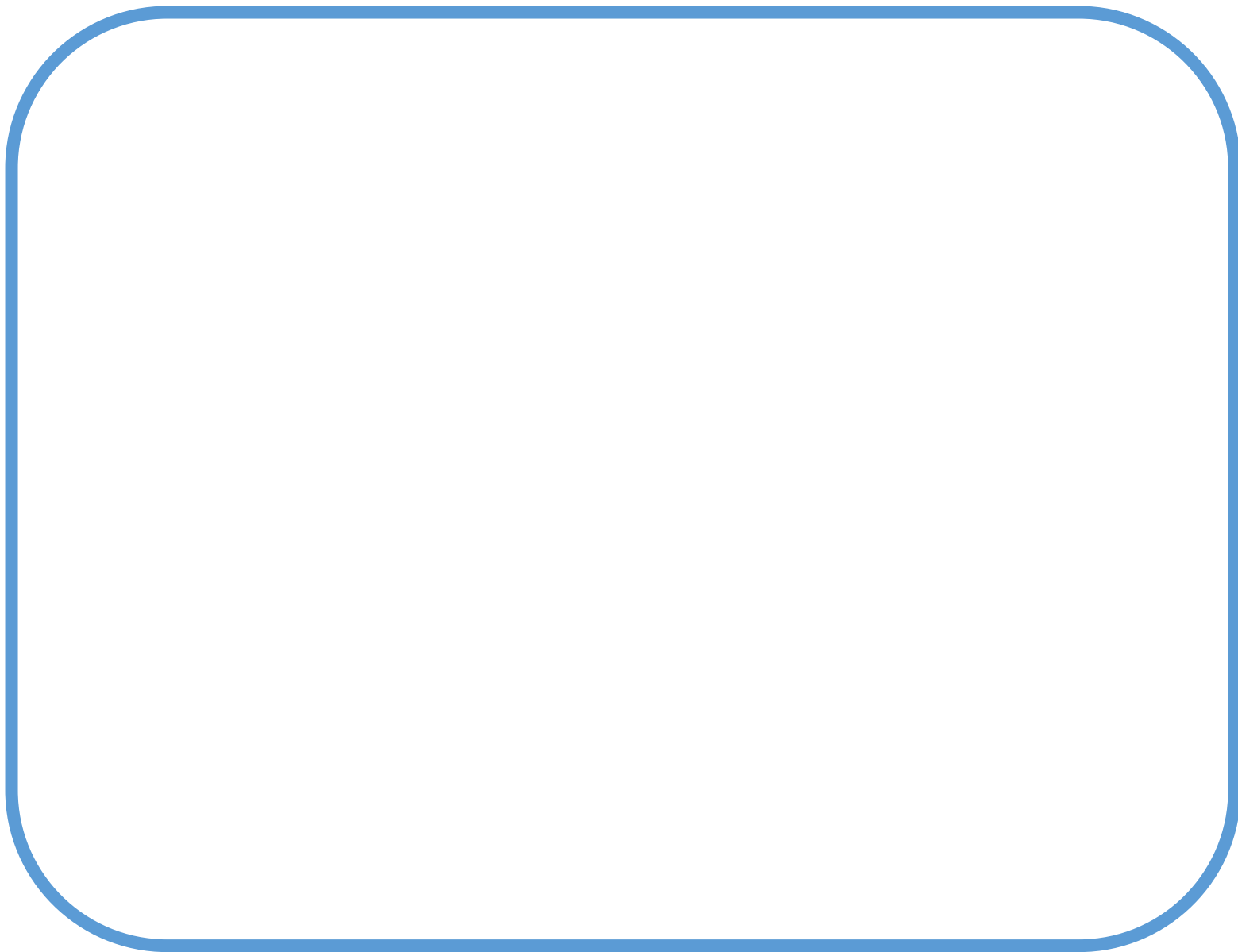


 **To Your Credit**  
**Student Workbook**

***Use the space below to take notes on what you want to remember and what you want to share with others.***



**Extra Resources:**

Use this QR Code to access additional resources for topics discussed in this lesson.



*Fill in the key terms.*

**Credit is:**

\_\_\_\_\_ that is \_\_\_\_\_ to you that you pay back with \_\_\_\_\_.

---

***Draw a line to connect each vocabulary term with the correct definition.***

① APR

The fee charged if the minimum payment is made after the due date

② Grace Period

Annual rate that is charged for borrowing

③ Available Credit

The amount of credit you have to spend

④ Late Payment Fee

The number of days between the statement date and the payment due date



## **Comparing credit card offers**

*Work with a partner or a small group to compare the offers below to determine which is best and why.*

*For each category, circle the feature that is most appealing to you. Then, see which card has the most features circled.*

	 Card A	 Card B	 Card C
Annual Fee	\$0	\$50	\$0
Introductory Rate	None	0% for 6 months	0% for 12 months
Interest Rate	17.5%	13.9%	15.2%
Late Payment Fee	\$45	\$0 for the first late payment, then \$41	\$41
Over-the-Limit Fee	None	\$35	None
Rewards	Travel points for air and hotel	None	1% cash back on all purchases

**Card \_\_\_\_\_ is a good offer for me.**

**Consider these questions when choosing a credit card:**

- Is there an introductory rate, what is it, and how long does it last?
- What will my interest rate be after the introductory rate?
- Is there an annual fee?
- What is the late payment fee?
- Is there an over-the-limit fee?
- Are there any other fees, like account-termination fees or balance-transfer fees?
- How can a fixed rate be changed?
- What is the grace period before interest is charged?

# ***Review a Credit Report***

***Write the name of the sections found on a credit report.***

*More information on each section can be found by scanning the QR Code on the first page of this workbook.*

**Section 1:** \_\_\_\_\_

Name, social security number, date of birth, previous addresses.

**Section 2:** \_\_\_\_\_

Bankruptcies, judgements, or tax liens are listed here.

**Section 3:** \_\_\_\_\_

A list of creditors who have hired a collection agency to contact you and try to collect what you owe.

**Section 4:** \_\_\_\_\_

Information on your credit accounts.

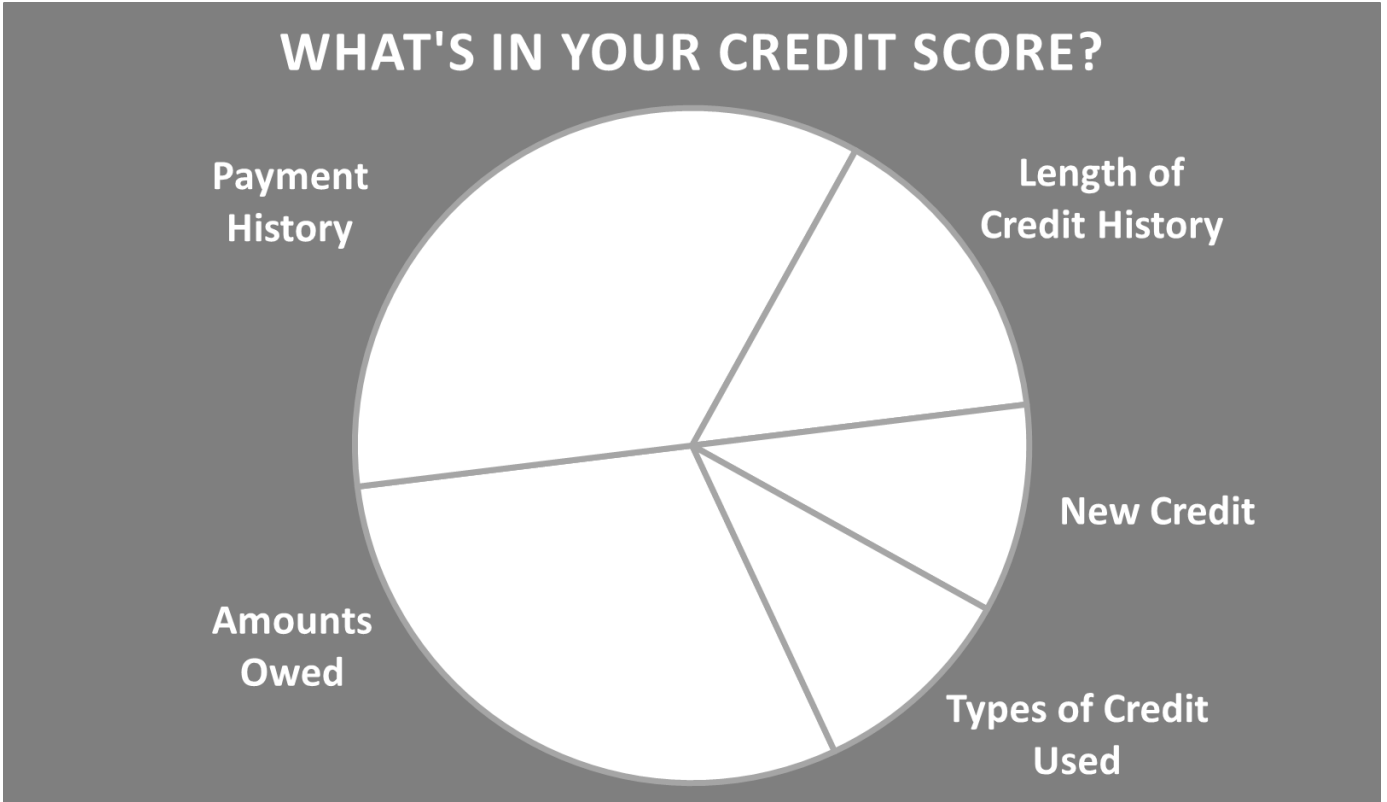
**Section 5:** \_\_\_\_\_

List of inquiries that have been made by credit companies about your credit history.

**Section 6:** \_\_\_\_\_

Reports from [annualcreditreport.com](http://annualcreditreport.com) DO NOT have your credit score.

**Fill in the percentages below.**



**Fill in the credit scores below.**

FICO Score Ranges	
<input type="text"/>	<b>Exceptional.</b> You will likely have little trouble getting approved for credit and will qualify for the best loan terms.
<input type="text"/>	<b>Very good.</b> You likely will qualify for better interest rates.
<input type="text"/>	<b>Good.</b> Lenders see you as an "acceptable" borrower, but may require answers to additional questions about your credit history.
<input type="text"/>	<b>Fair.</b> You might have difficulty getting credit. When you are approved, it likely will be at a higher interest rate.
<input type="text"/>	<b>Poor.</b> This reflects some real hardships, such as bankruptcy, or a borrower who has not built up credit yet. If you are granted credit, you might need to put down a deposit or pay a fee.

# What's up with my Credit Score?

For each scenario, circle if your credit score will go up or down.  
Discuss your answers with the group.

## Scenario #1

You skipped a credit card payment.

UP      DOWN

Why? (discussion notes):

## Scenario #2

You take out a credit builder loan and make 12 consecutive on-time payments.

UP      DOWN

Why? (discussion notes):

## Scenario #3

You completely paid off a credit card and will only use it for emergencies.

UP      DOWN

Why? (discussion notes):

## Scenario #4

You closed a credit card that you haven't used for eight years.

UP      DOWN

Why? (discussion notes):

## Scenario #5

You missed a car payment by 2 days.

UP      DOWN

Why? (discussion notes):

**ADDITIONAL NOTES:**

# GO DO IT NOW!

Financial Issue	Best Practices to Help Manage Money Responsibly	My Financial To Do List
Credit Cards	<input type="checkbox"/> When I have any type of credit card, I will only buy things I can afford to pay for in full at the time I make the purchase. <input type="checkbox"/> I understand that using my credit card to buy something that I will need to pay off for months or years will keep me in debt and result in me paying much more than the items I bought actually cost.	
Credit Score	<input type="checkbox"/> I will pay all of my bills and any loan payments I have on time and in full. <input type="checkbox"/> When I have a credit card I will pay off the full balance each month on time. I will always pay more than the minimum required. <input type="checkbox"/> I will not apply for multiple credit cards in short periods of time.	
Credit Report	<input type="checkbox"/> I check my credit report at <b>AnnualCreditReport.com</b> at least once each year. <i>(Only use this site! Others can scam you and make you pay for your report.)</i> <input type="checkbox"/> I will address any problems or inaccuracies I find on my credit reports with the credit reporting agencies.	
Building a Good Credit History	<input type="checkbox"/> I will consider the following when I am financially ready and responsible to help build a good credit history and score: <ul style="list-style-type: none"> <li>○ Applying for a store credit card and using for periodic purchases.</li> <li>○ Asking a family member to add me as an authorized user on a major credit card. <b>(Remember, it is a joint account so if they use the card and don't pay off their purchases, it affects you.)</b></li> <li>○ Talking to my bank or credit union about opening a secure credit card.</li> <li>○ Asking a friend or relative to be a co-signer for loans, etc.</li> </ul>	